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CURRENT SERIAL RECORDS

THE TOBACCO SITUATION— RECORD 1964-65 SUPPLIES

The 1964-65 supplies of flue-cured and burley tobaccos will be the largest on record. The buildup in carryovers of these two principal cigarette tobaccos—reflecting the big crops of 1963 and 1962—more than offsets the reduction in this year's production.

Domestic use of flue-cured tobacco in 1963-64 declined a little from 1962-63,

but exports were up 16 percent from the comparatively low year-earlier level. Domestic use of burley is estimated to be below the record 1962-63 level but exports reached a new high.

The estimated output of cigarettes of 532 billion in calendar 1964 was 18.5 billion below the 1963 record high. Between 1955 and 1963 there were signifi-



cant year-to-year gains. Consumption by U.S. smokers (including those overseas) takes 95 percent of output.

After the issuance of the smoking-health report in mid-January of this year, cigarette consumption dropped sharply. In February-April taxable removals (an indicator of consumption) dropped almost 8 percent below year-earlier levels. During May-August, however, taxable removals were only 3 percent below May-August 1963—indicating a move toward the year-earlier consumption level.

The number of cigarettes consumed per person 18 years and over in 1964 is estimated at 4,135 (about 207 packages)—down 5 percent from the record 1963 level and also below the preceding 3 years.

If cigarette use continues fairly near the level indicated for mid-1964, output and consumption might be up a little in 1965. The particularly sharp decline in the first quarter of 1964 is not likely to be repeated in the first quarter of 1965. The intermediate and longer range trend of cigarette consumption, however, will remain somewhat uncertain for some time.

The U.S. population 18 years and over will gain at the rate of about 1.5 percent a year from 1965 to 1970. This might be expected to bring about an increase in cigarette consumption. But smoking in relation to health will continue to be a matter of concern. Consumer response cannot be predicted with any certainty.

At the time of this writing the Federal Trade Commission has set July 1, 1965, as the effective date for a Trade Regulation Rule that will require a warning label on cigarette packages and a warning in all advertising that cigarette smoking is dangerous to health.

Research efforts on tobacco and tobacco smoke and health are being expanded considerably by the Federal

Government, by the American Medical Association, and the Council for Tobacco Research (as sponsors), and by other research agencies.

The 1964 consumption of cigars and cigarillos by U.S. smokers is estimated at 9.0 billion, up about 1.7 billion or up nearly one-fourth from 1963. The total for this year exceeds the previous high of 8.5 billion set in 1920.

Most cigars consumed in 1920, however, were full-sized. In 1964 and other recent years, cigars of slimmer dimensions and cigarillos constituted an important percentage of the total. In 1963, cigarillos accounted for over 17 percent of the total cigars sold. Cigar and cigarillo consumption per male 18 years and over is estimated at 150 in 1964, a jump of about 25 from 1963, and the highest in over 30 years.

References to cigar smoking in the smoking-health report and strong promotional activity by the industry have been major factors accounting for the sharp upturn. Cigar and cigarillo consumption is likely to gain further in 1965, though probably not as rapidly as in 1964.

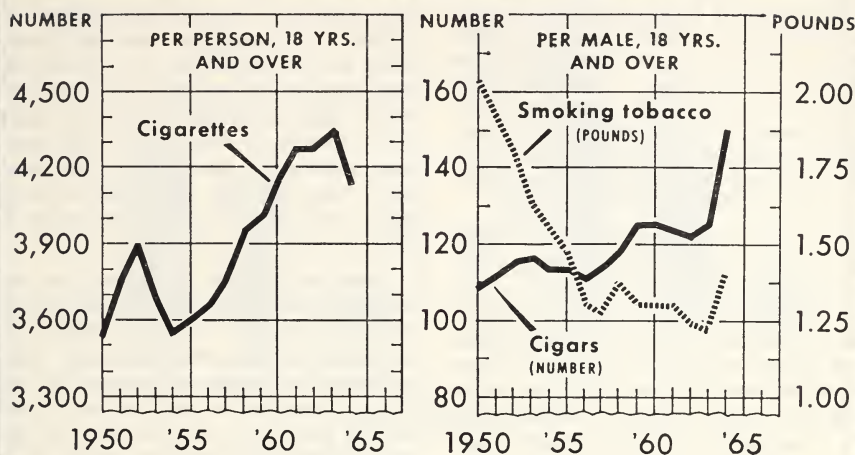
Cigars from Puerto Rican factories continue to increase and will probably total 750 million this year—43 percent more than in 1963 and 55 percent above 1962. In 1964, cigars made in Puerto Rico probably will account for about 8 percent of the cigars consumed by U.S. smokers.

Output of small cigars about cigarette size began climbing some in the latter half of 1963, and surged upward after January 1964. During February-May 1964, taxable removals of small cigars averaged 153 million a month. August of this year, taxable removals of small cigars dropped sharply, averaging 36 million a month. If output continues near the level of June-August for the remainder of the year, the 1964 total would be about 950 million—over three times the 1963 output and the

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PER CAPITA CONSUMPTION OF TOBACCO PRODUCTS



1964, PRELIMINARY ESTIMATE.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3105-64 (9) ECONOMIC RESEARCH SERVICE

highest in nearly half a century. The peak year for small cigars was 1911 with 1.2 billion.

Production of smoking tobacco in 1964 is estimated at 83 million pounds—18 percent above 1963 and probably the largest in 10 years. Output and consumption jumped sharply in the first quarter after the smoking-health report in mid-January, but the rate of gain diminished after the second quarter. In January–August 1964 both production and taxable removals were more than a fifth above a year earlier. Output and taxable removals in the remainder of the year will likely stay above 1963 levels, but the percentage gain will be less than so far.

Consumption of smoking tobacco per male 18 years and over is estimated at about 1.4 pounds in 1964, about 15 percent more than in 1963 and the most since 1955. Exports of smoking tobacco in bulk increased from a 1953–57 average of 5.1 million pounds to near 10.0 million in 1964.

Production of chewing tobacco in 1964 is estimated at a little over 67 million pounds—nearly 3 percent more

than in the previous year. Production of snuff is estimated at a little over 31.5 million pounds, not much different from the 1963 output, which was the lowest in a half century.

Exports of unmanufactured tobacco in calendar 1964 may be about 550 million pounds (farm-sales weight)—3 or 4 percent below the previous year. During January–August 1964, exports were 6 percent ahead of the year-earlier period, but this lead is likely to be overcome by a decline in the remaining months of the year compared with 1963 because of large competitive foreign supplies.

Exports of flue-cured usually make up about 80 percent of the total U.S. unmanufactured exports, and are generally heaviest in September–December after substantial quantities have been marketed. The Rhodesian flue-cured crop harvested in 1964 was by far the largest on record. Prices for the Rhodesian crop have averaged 30½ cents per pound, more than a third below last season.

Arthur G. Conover
Economic Research Service

SELLING REAL ESTATE . . . WHO PAYS TRANSFER COSTS?

Nearly every transfer of real estate involves fees and costs that must be paid by the seller out of proceeds of the sale, or by the buyer. Some of these costs are required by laws governing real property and the others are voluntary. Some are paid by the seller, others by the buyer, and in some instances they may be shared by both parties.

Who pays these costs depends partly upon logic, partly upon custom, and partly upon bargaining strength. One group of costs, usually called settlement costs, range from the buyer's pro rata share of real estate taxes and property insurance, the costs associated with title search, abstracts of title and title insurance, to surveyor's fees, notary fees, various kinds of documentary stamps, and recording fees.

In addition, buyers who pledge the property purchased as security for a loan often incur additional costs in the form of appraisal fees, loan agents' fees, documentary stamps on the mortgage, and recording fees. From the seller's standpoint, of course, the largest single fee is the commission paid the broker, if this method of sale is used.

Prospective sellers use essentially three methods for finding a buyer: Direct advertising and negotiation, use of the services of a real estate broker, and sale at public auction. The choice may be relatively easy for a retiring farmer with long experience in his community in which he has acquired a knowledge of farm values and personal acquaintances. A direct sale may be satisfactory under such conditions.

However, absentee owners and others who have lost touch with their property and the community in which it is located are often at a disadvantage in negotiating a direct sale, and other methods become necessary.

A recent study showed that about half of all farm sales were made through brokers. The California specialty crop

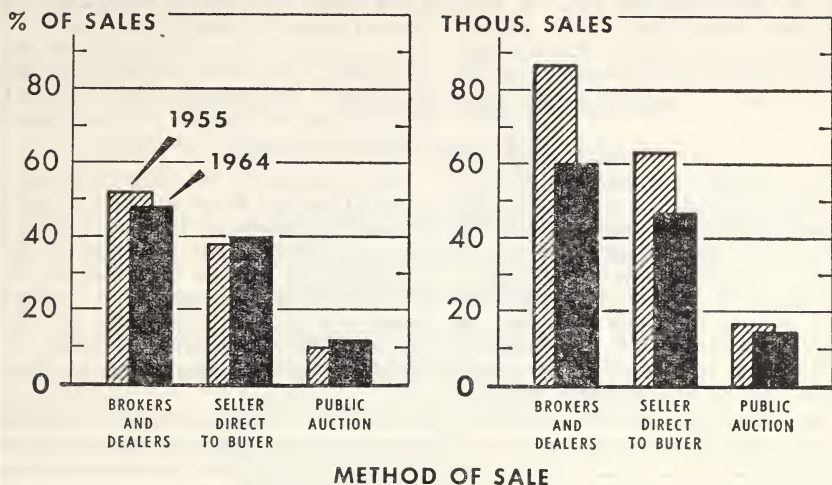
area had the highest percentage, 73 percent, followed by the Northwest dairy and wheat areas. Of the several farming areas in the Midwest, the Lake States dairy area, and the western Corn Belt area also ranked high. On a State basis, California, New Mexico, Washington, Colorado, and Iowa were among those with the highest proportion of brokers' sales.

Sales by brokers accounted for less than a third of all sales in most States in the Southeast. Florida was a notable exception, where brokers were estimated to make 54 percent of the sales. This may be attributed in part to the fact that nonresidents of the State have been attracted to investment and speculative opportunities in the State and are more likely to require brokers' services. Elsewhere in the Southeast, farms tend to be of small acreage and of relatively low total value and owners are more likely to sell directly, or by public auction.

Although only three farming areas showed as many as a fourth of the sales being made by this method, a few auction sales of land occur annually in practically all farming communities. Unlike direct sales between seller and buyer and broker sales, the price paid for land sold at auction quickly becomes community knowledge, and is likely to be used by other prospective sellers in setting their asking prices.

Several legal steps remain to be completed after the seller and buyer have reached a firm agreement as to price. Most of these involve the seller's responsibility to deliver a "merchantable title" to the property when final settlement is made. The Abstract of Title, a documented history of previous transfers, is usually prepared at the seller's expense. The chief exception to this was reported in the States along the eastern seaboard where more than half the reporters said costs of the abstract of title were paid by the buyer.

HOW FARM REAL ESTATE IS SOLD



ESTIMATED VOLUNTARY SALES PLUS ESTATE SETTLEMENTS. YEARS ENDED MARCH 1, 48 STATES.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3021-64 (7) ECONOMIC RESEARCH SERVICE

A search of title is often advisable to determine the existence and nature of any "clouds" on the title from unsatisfied claims of heirs, unpaid taxes, or outstanding liens and encumbrances. About two-thirds of the reporters, nationally, said this cost was paid by the buyer, but again there were exceptions. In the western wheat, northwest dairy, and California specialty crop areas, the cost of search of the title was most often paid by the seller.

Cloudy title can cause considerable financial loss to sellers as well as buyers. Owners may find it difficult to sell their land if clear title to the property cannot be verified.

Likewise, prospective buyers hesitate to invest money in property that may be involved in subsequent litigation and possibly taken from them. Title insurance can be used to guard against such risks. Before issuing a policy, the insurer is likely to determine the risks of future claims being made against the property.

Title insurance premiums were paid by buyers and sellers in nearly equal proportions at the national level, but

wide differences were reported among areas. In the western wheat and northwest dairy areas, virtually all respondents said that the seller paid the title insurance premiums. Conversely, in the burley and eastern tobacco areas, more than 8 out of 10 respondents said the buyer paid this cost.

Considering all the various costs involved in transferring legal title to land, it is apparent that these costs are more likely to be paid by buyers in the States roughly identified with the 13 original colonies than in other areas.

Another category of closing costs includes Federal and State documentary stamps, State and county transfer taxes, and recording fees. Although relatively small in dollar amounts, they can be quite numerous depending upon State and local laws.

Federal documentary stamps at the rate of 55 cents per \$500 of consideration were usually paid for by the seller. Some State, county, or city transfer taxes were not widely reported, but are known to exist. In areas where such revenue measures were in force, sellers tended to pay State fees and buyers

tended to pay fees assessed by lower levels of government.

The fee for recording the new title was almost always paid by the buyer. This is always advisable to substantiate the legal right of the new owner to the property and to simplify subsequent sale.

With more than 80 percent of all farm real estate purchases involving some form of credit, many buyers can also anticipate some additional costs in obtaining credit. The chief exceptions are purchases made under installment contracts and other methods of seller financing in which the seller, in effect, provides the credit, and the land contract itself is a credit instrument. Because title to the property remains with the seller, the costs of preparing

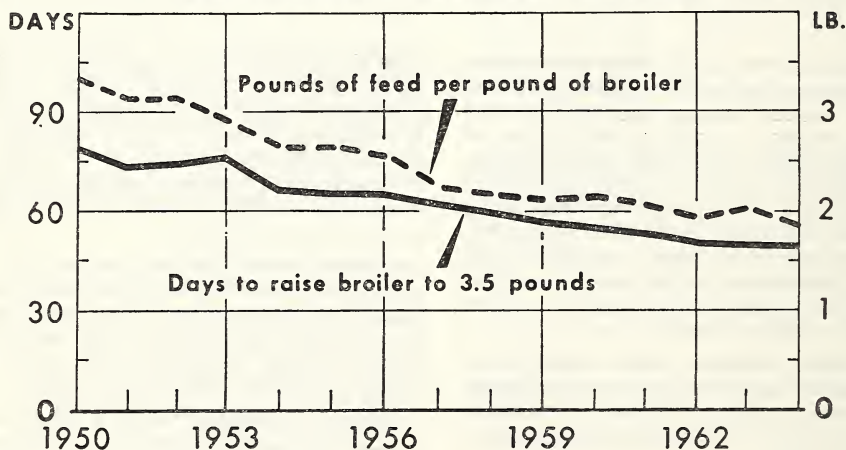
and conveying title are postponed until the terms of the contract are met.

The costs of obtaining financing are likely nominal in cases where the seller takes back a mortgage from the buyer. No separate appraisal for loan purposes is involved, and the only expense would be the preparation of the mortgage instrument and recording fees.

When funds are obtained from commercial lenders, however, there may be a separate appraisal fee and a fee to the local loan agent for placing the mortgage, as well as a recording fee. The typical loan appraisal fee ranged from \$10 to \$50 depending on the amount of time required to make the appraisal and the amount of the loan.

John F. Gale
Economic Research Service

EFFICIENCY GAINS IN BROILER PRODUCTION



DATA FROM MAINE BROILER TEST.

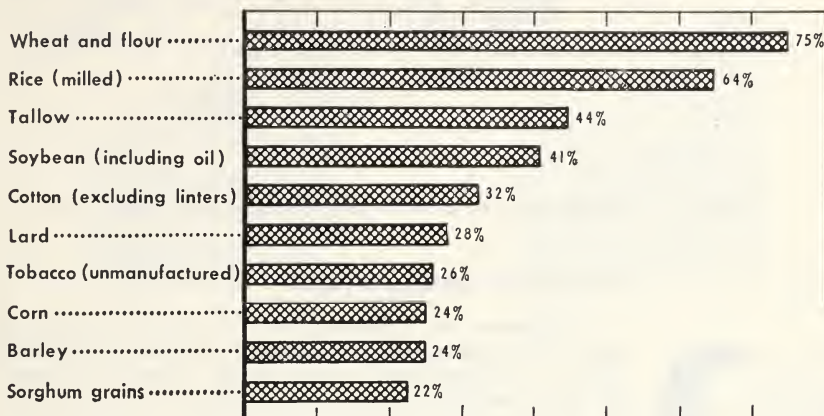
U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2908-64 (6) ECONOMIC RESEARCH SERVICE

The dramatic gains achieved in broiler production efficiency over the past 14 years are illustrated by data from the Maine Broiler Performance Test. Since 1950 the time required to raise a live broiler to 3.5 pounds under ideal test conditions has dropped from 11 to 7 weeks. Feed needed per pound of gain has been reduced from 3.33 pounds to 2 pounds. Results are not nearly this good under average commercial conditions, but the data do provide a good index to industry-wide trends. Spectacular advances in nutrition, breeding, and disease control made this progress possible.

ONE OUT OF EVERY 4 ACRES PRODUCES SOMETHING FOR EXPORT

Exports Provide Big Outlet for Many Products, 1963-64



EXPORTS COMPARED WITH FARM SALES FOR FEED GRAINS AND WITH PRODUCTION FOR OTHERS.
DATA ARE FOR FISCAL YEAR 1963-64.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3126-64 (9) ECONOMIC RESEARCH SERVICE

A large part of U.S. Agricultural production is marketed overseas. It is estimated that 80 million acres, 1 out of every 4 acres harvested in the United States, were used in 1964 to produce crops for export, up 27 percent from 1962. Moreover, exports in fiscal year 1963-64 represented about one-sixth of cash receipts from farm marketings.

The export market is much more significant for individual commodities. In fiscal year 1963-64, three-fourths of the U.S. wheat output was exported; about two-thirds of the rice; three-fifths of the nonfat dry milk; over two-fifths of the dry edible peas, tallow, soybeans, and hops; a third of the rye, cotton, and dried prunes; a fourth of the lard, dried whole milk, and tobacco; one-fifth of the cottonseed, raisins, and dry edible beans; and one-sixth of the grain sorghums and barley grain. About one-tenth of the flaxseed and corn production was marketed over-

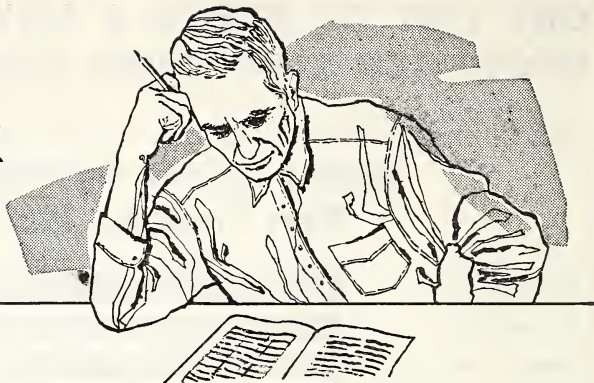
seas. However, in terms of farm sales, corn and barley exports were equivalent to 24 percent, and grain sorghums to 22 percent.

The relative importance of the overseas market to American agricultural producers has been increasing in the past few years. Last year's wheat exports equivalent to three-fourths of production contrasted with an average of two-fifths in the 1959-61 period.

For rice, two-thirds were exported last year compared with the 1959-61 average of about a half. Other notable gains occurred for nonfat dry milk, tallow, soybeans, hops, rye, lard, and corn. Exports as a share of production were slightly lower last year for cotton, tobacco, and flaxseed. Yet on an overall basis, the 80 million acres producing for export in 1964 totaled 43 percent more than in 1958-60.

Dewain H. Rahe
Economic Research Service

outlook



Based on Information Available on November 2, 1964

CIGARETTE CONSUMPTION

If cigarette use continues near the level indicated for mid-1964, output and consumption might be up a little in 1965. The particularly sharp decline in the first quarter of 1964 is not apt to be repeated in 1965.

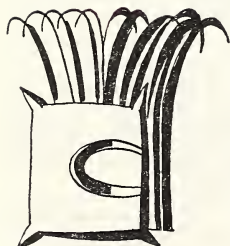


WOOL

Shorn wool production in the U.S. is expected to continue to drop in 1965 because of a continued decline in sheep inventory. Wool prices likely will be moderately less than those received in early 1964. Mill consumption of apparel and carpet wool probably will increase in 1965 from 1964, which was the lowest since 1958. Imports of raw wool and wool products are also expected to rise in 1965.

CIGARS AND CIGARILLOS

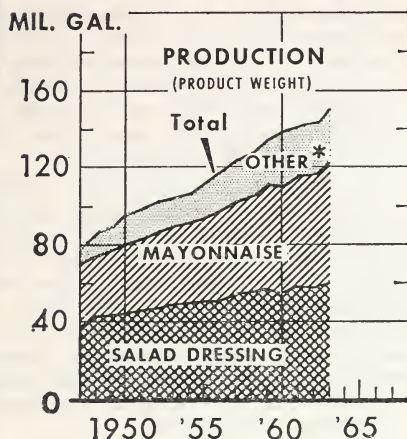
A new record for consumption of cigars and cigarillos was set in 1964. References to cigar smoking in the smoking-health report and strong promotional activity by the industry were major factors for the sharp upturn. Consumption is likely to make further gains in 1965, though probably not as rapidly as in 1964.



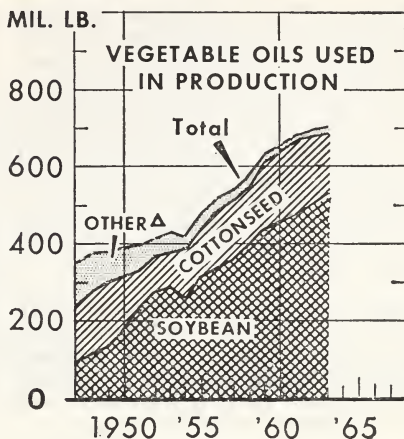
WHEAT

Domestic disappearance of wheat in 1964-65 is expected to be about 615 million bushels, somewhat above the 5-year average. Use of wheat for feed in 1964-65 is estimated at 65 million bushels, which is somewhat above average and accounts for most of expected increase in domestic disappearance.

SALAD DRESSING, MAYONNAISE, AND RELATED PRODUCTS



* MAINLY SANDWICH SPREADS AND FRENCH DRESSINGS.



Δ MAINLY CORN OIL.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2987-64 (8) ECONOMIC RESEARCH SERVICE

Production of salad dressing, mayonnaise, and related products has increased every year since 1947, from 79 million gallons to a record 151 million in 1963—an average annual increase of 4 percent. Per capita consumption increased from 4.4 pints to 6.4 pints mainly because of better blends, additional uses in making other foods more appetizing, greater convenience, and a wider choice of brands. Soybean oil and cottonseed oil account for 97 percent of the oil used in the salad oil industry. The share of soybean oil has been increasing since World War II.

TURKEY BREEDER HEN INTENTIONS

Turkey breeder flock owners in 15 important turkey States expect to keep about 4 percent more heavy-breed hens and 1 percent more light-breed hens at the beginning of the 1965 hatching season than they retained a year earlier.

Compared with the 1964 season, turkey breeders plan to have 13 percent more heavy white-breed hens but 3 percent fewer bronze and other heavy. These 15 States accounted for 80 percent of all breeder hens on hand January 1, 1964.

Owners of heavy white-breed hens in four of the most important States indicate increased holdings of hens. Increases were 25 percent in Minnesota, 22 percent in Ohio, 15 percent in Cali-

fornia, and 2 percent in Texas. In Wisconsin a decrease of 20 percent was reported.

Growers of other heavy breeds in three of the six important States indicated decreased holdings of hens. Decreases were 15 percent in Minnesota, 7 percent in Missouri, and 8 percent in California. Increases reported were 10 percent in Texas, 6 percent in Iowa, and 3 percent in Oregon. For the two important States in holdings of light breeder hens, Minnesota expects to decrease holdings 5 percent, while Virginia expects to hold about the same number.

Robert F. Moore
Statistical Reporting Service

TURKEY PRODUCTION CHANGE

Heavy White Birds Gaining in Popularity

Turkey growers are raising 98.7 million birds this year compared with 93.4 million in 1963. This 1964 crop is second in size only to the record 108.2 million in 1961. Turkey output is increasing in all parts of the country except the West, where output is down one-half million birds. But, all of the U.S. increase of 5.3 million birds is occurring essentially in 3 regions—the South Atlantic, West North Central, and South Central States.

Light breeds are increasing from 9.7 million to 11.0 million and heavy breeds from 83.7 million to 87.7 million. Among the heavies, whites are up 6.5 million to 38.7 million but others are down 2.5 million to 49.0 million.

Light breeds (nearly all of which are white) and heavy white breeds are outnumbering heavy breeds with colored feathers for the first time—49.7 million to 49.0 million. Light breeds alone account for 11 percent of the crop this year compared with 10 percent last year and 27 percent in 1953–55, when these small turkeys were at their height of popularity. Heavy white breeds represent 39 percent of the total number of turkeys in 1964, up from 34 percent last year and 20 percent in 1956.

Heavy white breeds have found greater favor for a number of reasons. First, white feathered birds dress out with fewer noticeable pinfeathers and, therefore, are more acceptable to consumers and less costly to process. Second, heavy white breeds have been improved for such traits as rapid growth, low mortality, good body conformation at all ages and high eviscerated yield. As a result, heavy white breeds replaced many Beltsville Whites in the production of consumer-sized

turkeys and have offered steadily growing competition to Broad Breasted Bronzes. In addition, heavy whites can be marketed as fryer-roasters, competitive with Beltsville Whites, or carried to maturity, thus giving the grower an option on the time of marketing.

But, fryer-roaster producers in 1963 and 1964 shifted back to light breeds. The same number of fryer-roasters, 14.3 million, were slaughtered in 1962 and 1963 in federally inspected plants, but light breeds raised increased from 9.0 million to 9.7 million between these 2 years. And, the increase in fryer-roaster production so far this year also appears to be explained by increased hatchings of light breeds.

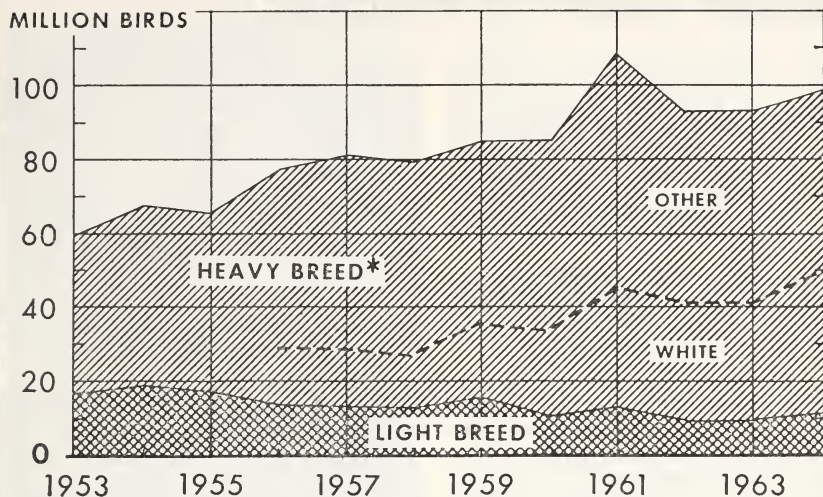
The poult cost for light breeds is less than for straight run heavy white breeds and some producers claim that the light breeds produce a more attractive fryer-roaster. However, the advantage of lower poult cost may not last long as a result of a growing industry practice—separating poults by sex and selling the toms and hens separately. Trade sources report that some tom poults currently sell for about a dollar each and some hen poults for 30 cents—well below the cost of straight run light-breed poults.

Tom turkeys are usually marketed about 6 to 8 weeks later than hens. Thus, raising each sex by itself eliminates the expense of handling both hens and toms at the time the hens are sent to market. Because the nutritive requirements for hens and toms differ, the separate raising of the sexes also offers the possibility of greater efficiency in feeding through the use of different rations for each sex.

Herman Bluestone
Economic Research Service



TURKEYS RAISED



* HEAVY WHITE AND OTHER HEAVY BREEDS NOT REPORTED SEPARATELY PRIOR TO 1956.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3078-64 (9) ECONOMIC RESEARCH SERVICE

Brokers Handle Half of Farm Sales . . . Wide Variation From Region to Region

A recent study showed that about half of all farm sales were made through brokers. The California specialty crop area had the highest percentage, 73 percent, followed by the Northwest dairy and wheat areas. Of the several farming areas in the Midwest, the Lake States dairy area, and the western Corn Belt area also ranked high. On a State basis, California, New Mexico, Washington, Colorado, and Iowa were among those with the highest proportion of brokers' sales.

Sales by brokers accounted for less than a third of all sales in most States in the Southeast. Florida was a notable exception, where brokers were estimated to make 54 percent of the sales. This may be attributed in part to the fact that nonresidents of the State have been attracted to investment and speculative opportunities in the State and

are more likely to require brokers' services. Elsewhere in the Southeast, farms tend to be of small acreage and of relatively low total value and owners are more likely to sell directly, or by public auction.

Brokers' commission rates were typically 5 percent—ranging from less than 3 percent to 20 percent, depending on the type and location of the property sold. Reports of 3 percent and lower were chiefly in the Corn Belt. Rates of 10 percent and over were more common from Minnesota to the Atlantic and in the Southeast cotton areas. Commission rates can be adjusted to reflect brokers' costs. Less tangible, however, is the quality of the services rendered, which can also be reflected in the rates charged.

John F. Gale
Economic Research Service

CATTLE AND CALVES ON FEED—

NUMBER DROPS 2 PERCENT

There were 6,617,000 cattle and calves on feed for slaughter market in 28 major States—2 percent less than a year earlier. The number on feed in these States declined 1 percent from July 1 to October 1 this year compared with a 2 percent decline for the same period in 1963.

In 32 States for which estimates are available this year, 6,738,000 cattle and calves were on feed on October 1, compared with 6,785,000 on July 1.

The 12 North Central States had 3,866,000 cattle and calves on feed for slaughter market, down 4 percent from a year earlier. However, Indiana, Nebraska, and Kansas had 10, 11, and 3 percent more, respectively, than a year earlier. Decreases in the other States ranged from 3 percent in Missouri to 18 percent in Minnesota. Iowa, the leading State, was down 5 percent.

In the 11 Western States, there were 2,137,000 cattle and calves on feed for slaughter market, about the same as a year earlier. California, the leading Western State, was down 9 percent, with Washington and Arizona down 1 and 4 percent, respectively. Nevada was unchanged from October 1, 1963. Other Western States had increases ranging from 4 percent in Utah to 35 percent in Montana.

Other States showed the following changes in cattle feeding from October 1, 1963: Alabama, down 14 percent; Texas, down 4 percent; Pennsylvania, up 2 percent; Oklahoma, up 22 percent; and Georgia, the same as a year earlier.

During the July–September period, 4,078,000 cattle and calves were placed on feed in the 28 States compared with 3,696,000 the same period in 1963—an

increase of 10 percent. Shipments of stocker and feeder cattle into the 8 Corn Belt States during July and August were up 17 percent from the same period a year earlier.

Marketings for slaughter from feedlots during the July–September period from the 28 States totaled 4,160,000—9 percent more than in the same period a year earlier. Marketings were up 8 percent in the North Central States and 13 percent in the Western States.

A breakdown of number on feed October 1 in the 28 States by weight groups showed decreases from a year earlier in all weight groups except those of 500–699 pounds and 1,100 pounds and over. The number on feed weighing under 500 pounds was down 8 percent; the 500–699 pound group was up 13 percent; the 700–899 pound group was down 4 percent; the 900–1,099 pound group was down 8 percent; and the group of 1,100 pounds and over was up 2 percent.

The number of steers and steer calves on feed in the 28 States totaled 4,801,000 head, 1 percent less than a year earlier. Heifers and heifer calves totaled 1,785,000 head, down 7 percent; and cows and other cattle, at 31,000 head, were up 29 percent from a year earlier.

In the 28 States the number on feed under 3 months totaled 3,954,000 head on October 1, up 10 percent from a year earlier. The number on feed 3 to 6 months was 1,514,000 head, down 10 percent. The number on feed for more than 6 months, at 1,149,000 head, was 23 percent below a year earlier.

Robert P. Christeson
Statistical Reporting Service



LETTER TO REPORTERS FROM CRB CHAIRMAN



It has been some time since the Chairman of the Crop Reporting Board has visited with crop and livestock reporters through the Agricultural Situation. However, you may be certain that the absence of these articles does not represent any lack of interest in your problems or our mutual problems.

As you know, estimates and forecasts of agricultural production are based primarily on the reports you send in. Recently our State Agricultural Statisticians have been getting some critical comments about our reports. They go something like this: These reports only help big farmers or processors—We would be better off without any reports or statistics—The reports are incorrect. And others with similar thoughts.

A look into the history of crop reporting work shows comments such as these have turned up in the past, usually when production of a commodity was high and farm prices were down. For some reason a few persons believe that if no one knew there was going to be a large supply of a commodity somehow or other the price would not be affected.

The fact is that the lack of information about supplies was the very thing

that caused farmers to ask for a Crop Reporting Service in the first place. Packers or chainstore operators don't have to be told that the supply is large or small—they usually have access to private crop reports or other information and can judge this pretty well.

In addition, if a big supply suddenly shows up at his door he is going to pay a price that will enable him to move it through his hands to the consumer. Certainly he is not likely to pay a price that will prevent him from selling.

It seems then that all the real disadvantage of not knowing what the supply is falls on the side of producers. We feel that producers need these estimates and forecasts of production so they can at least consider adjusting their operations to what they judge the market will bear.

I don't know if statistics give the big farm operator an advantage over the small farmer or not. I do know, however, that the statistics are made equally available to both; and how well they are used in planning farming is a matter of personal evaluation.

Now, a word on the accuracy of the statistics issued for you by the Crop Reporting Board. They are based mostly on reports that reporters voluntarily send to their State Statisticians. We in crop reporting work do our best to make the most accurate estimates and forecasts possible, based on your reports. We consider our record pretty good.

Finally, the reliability of the reports. In my 30 years with the Crop Reporting Service I have never once been asked by anyone to change an estimate that in my judgment was the best that could be made from the data at hand. And I have not changed an estimate because it might please someone or other.

In the final analysis it is you, the voluntary reporter, who is the backbone of the Crop Reporting Service. We value and guard our association with you. There is no relationship quite like this in any other country of the world.

G. D. Simpson

Chairman, Crop Reporting Board

POULTRY EXPORTS

In January–August the United States exported 60 million pounds of poultry to West Germany, our largest foreign customer. In the same period of 1963 we exported 40 million pounds. The 1964 exports, however, were far below the 119 million pounds in January–August 1962. West German importers rapidly accumulated stocks in the first half of 1962 in anticipation of the sharp increase in import charges which took place in mid-1962.

Rising prices for red meat and poultry and expanding consumer incomes in West Germany are the principal factors behind the recent recovery in U.S. poultry sales to that country. West German import charges on whole U.S. broilers and turkeys have not changed much since the beginning of 1963. Charges against canned poultry are about the same as they were in 1961.

On August 1, the Common Market reduced the levy on some poultry parts. This may further strengthen the demand for U.S. poultry parts in West Germany. The lower levy applies only to drumsticks and wings of all classes of poultry. In August-October, it was about 5.6 cents per pound, down from 13.9 cents.

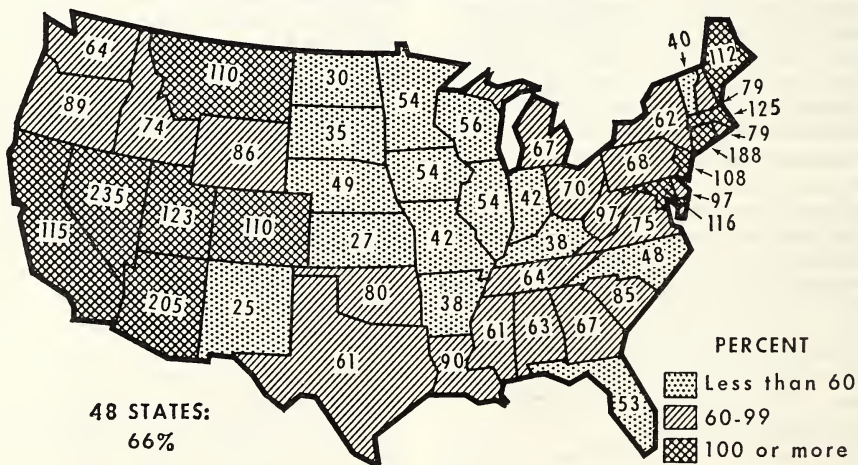
The reduction results from a new method of computing the variable levy on drumsticks and wings.

Some idea of the significance of the lower levy is revealed by West German import data for 1963. In that year, West Germany imported 78 million pounds of slaughtered poultry from the United States. Of the total, 36 million pounds were poultry parts. Over 90 percent of West Germany's imported poultry parts in 1963 came from the United States.

Herman Bluestone
Economic Research Service

INCREASE IN VALUE OF FARM REAL ESTATE RELATIVE TO NET INCOME *

Percentages, 1951-53 to 1961-63



* PERCENTAGE BY WHICH THE INCREASE IN VALUE PER ACRE EXCEEDS THE CHANGE IN NET INCOME PER ACRE.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2800-64 (4) ECONOMIC RESEARCH SERVICE

Market prices of farm real estate have increased substantially more than farm income in the past decade. Among States, increases in farm real estate prices range from less than 60 percent to more than 100 percent. Nationally, the increase in land prices since 1951-53 has exceeded the change in net farm income by 66 percent.

HONEY CROP FOR 1964

November 1964

The 1964 honey crop is expected to total 293 million pounds—2 percent less than last year's record crop but 11 percent more than average. Production per colony is expected to average 51.9 pounds, 4 percent below last year's record high of 54.2 pounds.

Compared with past year, yields changed drastically in some regions and States. Yields per colony dropped from 62.3 pounds last year to 50.3 in the Western States; 87.6 to 79.1 in the West North Central; and 53.6 to 49.6 in the North Atlantic region. Yields increased from 34.7 pounds to 40.6 in the South Atlantic; 27.5 to 29.2 in the South Central; and 66.5 to 67.6 in the East North Central States.

Ohio, Indiana, New Jersey, Pennsylvania, West Virginia, and Kentucky had the highest yields since 1941. Early summer plant conditions were good in these States. During the year clover, basswood, fruit trees, and berry plants yielded the best. Aster and goldenrod became a good source in Ohio during September. Compared with last year, North Carolina, South Carolina, and Virginia had exceptionally good yields.

Yields from Wisconsin and Illinois west to Idaho and Arizona fell below last year, except in Iowa. The main reason was hot and dry weather in July and August. A cold damp spring and early summer lowered yields in Montana, Wyoming, and Idaho. This same cool damp spring brought good early season yields to Nevada and Utah.

Compared with last year, yields decreased sharply in Montana, North Dakota, South Dakota, Wyoming, and Idaho. The average yield in Montana fell from 125 pounds in 1963 to 63 pounds per colony this year.

Yields in Oregon and Washington were up slightly, but dry weather in California during late spring and early summer cut average per colony yields below last year. The citrus honey flow in California was about average this year.

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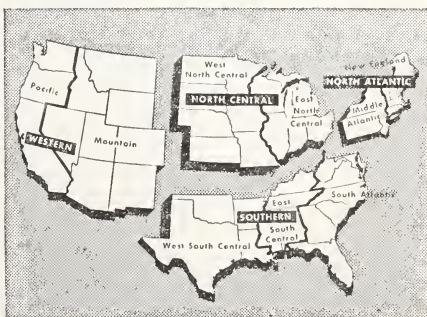
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